

ARTICLE APPEARED
ON PAGE A-1

NEW YORK TIMES
8 DECEMBER 1981

Reagan Weighs Economic Steps Against Libyans

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, Dec. 7 — President Reagan and his top national security advisers met today to discuss possible punitive economic and political measures against Libya that could include an embargo on the import of Libyan oil and a ban on travel by Americans to Libya.

White House and State Department officials stressed, however, that the policy review by the Administration had been under way since the summer, well before the Administration's latest concern over reports that Col. Muammar el-Qaddafi, the Libyan leader, had sent agents to this country to try to assassinate Mr. Reagan or other prominent officials.

No Decisions Reached

A State Department official who declined to be named said after this afternoon's National Security Council meeting on Libya that no decisions had been taken and he could not predict when any would be. Dean Fischer, a State Department spokesman, said earlier that decisions relating to future American economic and political relations with Libya were expected "in the near future."

The policy review, Mr. Fischer said, was started several months ago in response to the Administration's oft-stated concern over Libya's activities in support of radical groups in other countries and what Secretary of State Alexander M. Haig Jr. has called Colonel Qaddafi's backing for "international terrorism."

The reports about the assassination squads, which have been given official credence by the State Department, were viewed by department officials as increasing the likelihood that the Admin-

istration would announce some punitive steps against Libya.

Colonel Qaddafi, in an interview on American television on Sunday, denied having anything to do with such assassination plots. But the State Department, in an unusual statement, said that while it hoped Colonel Qaddafi's statement meant he would abandon "the use of terrorism and assassination" in his foreign policy, "we have strong evidence that Qaddafi has been planning the murder of American officials both here and overseas."

The talk about assassination threats has become a major topic in Washington.

Security has been visibly increased wherever officials like Mr. Reagan or Mr. Haig go, leading Mrs. Reagan to say today, "It's very difficult to go to church because you feel self-conscious about being X-rayed and so on." She said to reporters, however, "I'm very happy to have it."

Mr. Reagan, chatting with reporters at the White House, was asked about Colonel Qaddafi's charge that the Administration was inventing the assassination story.

"I wouldn't believe a word he says if I were you," the President replied.

'We Have the Evidence'

When told that Colonel Qaddafi had dared the United States to make its evidence public, Mr. Reagan said, "We have the evidence and he knows it."

Reporters at the White House and State Department pressed spokesmen to make the evidence public, but both Larry Speakes, the deputy White House press secretary, and Mr. Fischer declined to do so.

There have been reports in the press that much of the information has come from a foreigner who was in Libya and said he heard Colonel Qaddafi issue the orders. The foreigner, said to have been involved in training assassination agents, is reported to be in the custody of the Central Intelligence Agency and to have been put through vigorous debriefings.

But some officials, including some senior officials of the Federal Bureau of Investigation, are said to be very skeptical about the information, even though agreeing that prudence dictates the extreme measures now being taken to protect key officials.

Embargo on Oil Imports Weighed

State Department officials said that among the punitive measures being studied are the imposition of an embargo against imports of oil from Libya and a ban on Americans' living in or traveling to that country.

Presently, some 1,500 Americans, almost all of them in the oil industry, are employed in Libya. Exxon already has announced plans to bring its personnel home and Mobil is said to be following suit.

The sale of crude oil provides Libya with virtually all its foreign exchange. At one time, Libya was exporting as much as 1.5 million barrels a day of its high quality, low-sulphur-content oil. Now, because of Libya's high prices, and availability elsewhere, Libyan exports have dropped to about 600,000 barrels.

In October, former President Richard M. Nixon proposed an economic boycott of Libya, but, when Mr. Reagan was asked about it on Oct. 18, he said "it would have to be worldwide."

'Plenty of Other Customers' Seen

"No one country could affect them by having a boycott," the President said. He said that if the United States stopped buying Libyan oil, there would be "plenty of other customers."

On Nov. 14, however, Secretary Haig signaled a different view. He said there had been an extensive study of a possible oil embargo to see whether "we are not in fact shooting ourselves in the foot."

"I do not think that applies in this particular case on oil," he said, strongly suggesting that he favored a ban on Libyan oil.

But he said then that any decision had been deferred because Libya was carrying out a withdrawal of its troops from Chad, where it had intervened earlier in the year, and the United States did not want to do anything that might stop the pullout, which has since been completed.

Libyan Diplomats Expelled

Following the expulsion of all Libyan diplomats from the United States last May, the United States urged Americans to leave Libya, but there was no effort to make it compulsory.

During the crisis over the American hostages in Iran, the United States banned the import of Iranian oil, froze Iran's assets in this country, broke diplomatic relations and forbade most Americans to travel to Iran.

Officially, the United States still has diplomatic relations with Libya, but all American diplomats left Tripoli, the capital, in 1980 after a mob burned down the American Embassy.

STAT

STAT